



Health Services

LOS ANGELES COUNTY

July 1, 2016

Los Angeles County Board of Supervisors

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Supervisor Hilda Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO EXTEND THE TERM AND INCREASE FUNDING OF PROJECT MANAGEMENT AND TECHNICAL SERVICES AGREEMENT WITH PUBLIC HEALTH FOUNDATION ENTERPRISES, INC.

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Chief Operations Officer

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www.dhs.lacounty.gov

This is to advise the Board that the Department of Health Services has exercised its delegated authority, approved by the Board on June 9, 2015 (attached), authorizing the Director of Health Services (DHS) or his designee, to execute an amendment to the Project Management and Technical Services Agreement with Public Health Foundation Enterprises, Inc. (PHFE), to extend the term on a month-to-month basis through December 31, 2016 and increase the maximum obligation by no more than 10% to make adjustments in project tasks and deliverables, project budget categories, and other project scope adjustments as needed, subject to prior review and approval by County Counsel and notification to the Board and the Chief Executive Office.

The Amendment will extend the Agreement through December 31, 2016 which will allow PHFE to continue to provide project management and technical support for the Los Angeles Network for Enhanced Services (LANES), allowing LANES to complete the work of implementing the Health Information Exchange (HIE) infrastructure.

The Amendment also increases the maximum obligation by \$200,000 from \$2,000,000 to \$2,200,000. The increase will allow LANES to continue to utilize PHFE's project management and technical support consultants that are currently performing the HIE implementation work and further support the LANES efforts. LANES is currently working with multiple HIE participants concurrently in order to allow the participants to go-live on the system in short intervals in the future.

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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DHS is expected to integrate with the HIE and be poised to exchange data by November 1, 2016 and it is further expected that additional community clinics and private hospitals will follow shortly by the end of the calendar year.

County Counsel has reviewed and approved the amendment as to form. If you have any questions or require additional information please let me know.

MHK:ld

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



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June 09, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT WITH PUBLIC HEALTH
FOUNDATION ENTERPRISES FOR THE COMMUNITY CLINIC PHASE II
PROJECT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of an Amendment to the Project Management and Technical Services Agreement with Public Health Foundation Enterprises, Inc., to extend the term for the period July 1, 2015 through June 30, 2016, for the continued provision of project management, development, and implementation services for the Community Clinics Phase II Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or his designee, to execute an Amendment to Agreement No. H-705292 with Public Health Foundation Enterprises, Inc. (PHFE), effective upon Board approval to extend the Agreement term for the period of July 1, 2015 through June 30, 2016, for the continued provision of project management and technical services for the Community Clinics Phase II (Phase II) Project, with an option to further extend the term for an additional six (6) months, on a month-to-month basis if necessary, through December 31, 2016, with no increase to the maximum obligation.
2. Delegate authority to the Director, or his designee, to amend the Agreement

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32 OF JUNE 9, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

to exercise the extension option and to extend the term on a month-to-month basis through December 31, 2016, with no increase to the maximum obligation, subject to review and approval by County Counsel and notification to the Board and the Chief Executive Office (CEO).

3. Delegate authority to the Director, or his designee, to execute future amendments to the Agreement to: increase the maximum obligation by no more than 10% to make adjustments in project tasks and deliverables, project budget categories, and other project scope adjustments as needed, subject to prior review and approval by County Counsel and notification to the Board and the (CEO).

4. Delegate authority to the Director or his designee, to execute future amendments to the Agreement to a) revise or incorporate provisions consistent with all applicable State and/or federal law and regulations, County Ordinances and Board policy; and b) make appropriate changes to the Agreement to improve operational efficiencies, add clarity, and/or correct errors and omissions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

Recognizing the need for access to clinical and administrative information at the point of care is essential to the provision of seamless healthcare delivery across the broad geography of Los Angeles County. The Los Angeles County Department of Health Services (DHS) developed and implemented, in 2007, a continuity of care record known as the Encounter Summary Sheet (ESS). The ESS provided a patient history of aggregated data from across DHS and Community Partners (formerly referred to as Public-Private Partners) via a web-accessible platform. The ESS included administrative and clinical information, such as diagnostics and frequency of visits, procedures performed, past and future appointments and a history of DHS dispensed medications for patient coordination of care and treatment, but was initially only accessible to clinicians at DHS facilities.

In 2008, Health-e-LA, a public/private collaborative of healthcare plans and providers, healthcare associations, and public agencies dedicated to developing an infrastructure for multi-organizational electronic exchange of clinical healthcare information for treatment purposes throughout the County, received \$1.3 million in funding from Pacific United to begin a multi-phase effort to enhance the ESS. This involved developing interfaces between an initial number of Community Partners' disease management programs and the DHS enterprise data repository. Data from both DHS and the Community Partners would be made available within a 24-48 hour period along with some commonly used laboratory results. PHFE was the fiscal sponsor for the grant and was engaged by Health-e-LA to provide the project oversight services, purchase of software and hiring of technical staff for the implementation. Health-e-LA subsequently transferred its oversight responsibilities to the Los Angeles Network for Enhanced Services (LANES) Board of Directors.

With the Board's approval, DHS entered into the current Agreement with PHFE in 2011, for a three-year period, for fiscal intermediary and project management services associated with the ESS, and to complete the second phase of implementation of the enhanced ESS for the remaining Community Partners. That is - migration to a Countywide health information exchange (HIE) utilizing the LANES HIE infrastructure integrated with the LANES Health Data Highway Project, at a projected cost of \$1.5 million. As the Phase II project relies on the LANES HIE infrastructure, the implementation of Phase II is heavily reliant on the overall progress of the LANES HIE.

The DHS informed the Board at about this time last year that LANES had achieved a Technical Go-Live and proof-of-concept of the HIE system and as part of Phase II the LANES Board had engaged Gartner consulting to conduct and evaluate the proof-of-concept system infrastructure. Gartner identified a set of technical architectural modifications that would optimize performance of the LANES HIE solution and facilitate adoption by health care providers in the use of near real-time clinical encounter information. In response, the Board authorized the DHS to extend this Agreement for up to one additional year, through June 30, 2015.

Over the last 12 months, the LANES Board undertook a series of careful assessments to ensure that investments made in the HIE, including the Phase II project, are optimally leveraged to meet the comprehensive needs of patients in the Los Angeles County safety-net. The outcome of the assessments include an improved technology platform that will allow for the exchange of clinical information between the LANES planned participants at a higher level of performance and a lower overall cost. LANES also performed testing of clinical data exchange with DHS facilities, secured pro-bono legal services from Foley & Lardner to provide counsel on vendor contract negotiations, the data participation agreement, and other related matters, and continued to develop a business plan.

With the implementation of the Affordable Care Act (ACA) and the dramatic increase in managed care within the safety-net, the need for HIE between clinical organizations has become even more crucial to ensure safe and timely health care delivery and care-coordination. Therefore, within the next 12 months, LANES plans to finalize an agreement with an HIE technology vendor and will operationalize clinical data exchange with encounter notification services for safety-net clinical providers including County Departments, Community Partners, community hospitals, and health plans.

Recommendations

Approval of the first recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit I, with PHFE to extend the term of the Agreement through June 30, 2016 to continue project management, development, and implementation services for the project. The Agreement currently will expire June 30, 2015.

Approval of the second recommendation will allow the Director to exercise the option to further extend the term of the Agreement up to an additional six months, if necessary, through December 31, 2016, allowing PHFE additional time to complete the Phase II project.

Approval of the third recommendation will allow DHS to make adjustments in project tasks and deliverables, program budget categories, and other project scope adjustments to adapt to requirements identified jointly by the DHS and the CEO over the remaining course of the project. This will enable leveraging of funding and technology improvement opportunities through the LANES and operational changes resulting from the restructuring of the ambulatory care system and health care operations in the County. This will accommodate further development of a Countywide health information exchange, revise or incorporate provisions with all applicable State and/or federal law and regulations, County Ordinance and Board policy, and make appropriate changes to correct errors or omissions. This will allow DHS to work with PHFE and the LANES Board to ensure the project is able to pursue changes in technology and implement the project at the lowest cost.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

During the extension period, there is no anticipated increase to the Agreement maximum obligation, and therefore no fiscal impact.

Funding is included in the DHS Fiscal Year 2015-16 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Agreement may be terminated for convenience by the County upon 10 days prior written notice. The Agreement includes all Board of Supervisors' required provisions.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On May 17, 2011, the Board approved the current Agreement with PHFE. PHFE received an initial grant to implement the Phase I Project with the CPs and continues to be the project manager on the Phase II Project and the LANES HIE.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure completion of the Phase II Project, improve data collection and sharing across the service delivery system, and accelerate the speed of patient information availability to providers to improve health care treatment and health care operation outcomes, reduce costs and duplication of diagnostic testing and increase patient satisfaction.

The Honorable Board of Supervisors
6/9/2015
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.
Director

MHK:ls

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors